

COUNTER INTELLIGENCE CORPS  
4400 CIC SUB-DETACHMENT "A"  
APO 511 U.S. ARMY

CIC SALZBURG  
Ref. No. S-9074

4PM/mek  
Zell am See Field Office  
14 December 1950

MEMORANDUM FOR THE OFFICER IN CHARGE:

SUBJECT: OMP Expanding to Western Austria

RE : Investigation

1. Pursuant to instructions from the Chief, CIC, Sub-Detachment "A", based on a request in Disposition Form, AG/S 02 (ICB), dated 23 October 1950, Subject as above, forwarded to this Sub-Detachment by Com. E, 32, Ops, dt 26 October 1950, this Agent initiated an investigation to determine whether OMP had extended its operations and established itself in the Western Zones of Austria.

2. This Agent interviewed employees, managers and owners of the sixty-five registered enterprises engaged in the sale or distribution of petroleum products in Bezirk Zell am See among whom only the following offered pertinent information:

a. KOSIR Josef, born 23 February 1916 in Vill, Land Tyrol, residing at Zell am See 354, manager of the "Clockner Garage" in Zell am See, disclosed that in June 1950, he had read an advertisement in one of the Salzburg newspapers which requested that any person with filling stations for sale; persons desiring to sell property suitable for filling station sites; and persons with interest or past experience in the operation of filling stations should notify WHOI, Vienna I, Seilerstrasse 5. KOSIR stated that this was the first time that OMP openly demonstrated interest in expanding to the western zones of Austria. A personal acquaintance of KOSIR's, one DR. Blaibach, shareholder of the Mineral Oil

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Firm KLEIN, Gabelsbergstrasse 20, Salzburg arranged a meeting between MOSER and representatives of OROT who were in Salzburg on a business trip in July 1960. At this meeting a contract with OROT was discussed and MOSER was assured that if he agreed to the contract that he would never have to worry about gasoline during periods when other dealers might find themselves in short supply. MOSER was unable to conclude the contract, as he was already under contract with the soviet Vassum Co. in Vienna. MOSER stated that during the conversation, the OROT representatives expressed interest in opening several filling stations and an oil storage dump in the western zones of Austria. According to the OROT representatives, Soviet authorities had given western zone oil companies permission to operate in the Soviet Zone of Austria in exchange for permission for Soviet Zone oil firms to buy or lease filling station sites for eventual operation in the western zones. In addition, the OROT representatives revealed that OROT had attempted to secure an oil storage area with rail facilities near the Salzburg Railway Station, but had not been able to do so in the face of opposition from Land Salzburg government officials and officials of the construction office. MOSER stated that as of July 1960, OROT had signed a contract with only one firm in Land Salzburg. This was with the firm of KLEIN, Alten, Mainstrasse and St. Julianstrasse, Salzburg. According to MOSER, KLEIN is a known and active Communist in Salzburg, whose connection with OROT is the result of more than a mere interest in the oil business. MOSER stated that he has heard nothing about OROT operations since July 1960.

b. ~~WERNER~~ MAX DR., Trade License Advisor at the district government (Landesregierung), born 29 November 1914 at Kreuz, residing at Kreuz 20, Salzburg. MAX received only one request for information concerning an application for permission to make a contract with OROT for the operation of a filling station. This

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efforts. MARTENS asked for time to think over the proposal before making a decision. He contacted an old acquaintance, JUD Waldemar, a shareholder in the KLEIN Oil firm and asked his advice about the proposal. JUD advised MARTENS not to get involved with OROP as he might become involved in espionage activities. MARTENS took this advice and wrote FISCHL at the Hotel Astoria - Salvedare in Vienna that he could not accept the offer. MARTENS heard nothing more of the matter until the end of September 1947 when he was stopped on a street by FISCHL, who was accompanied by ALEXANDROV Col. and several Soviet officers from the Soviet Repatriation Mission in Salzburg. At this surprise meeting, FISCHL warned MARTENS never to reveal that he had been contacted by OROP unless he was willing to face the responsibility of reprisals against his relatives still living in Hungary and against his daughter, married to an Austrian doctor, living in the Soviet Sector of Vienna. MARTENS agreed not to discuss the matter and was left alone. In October or November 1947, MARTENS again accidentally met FISCHL and ALEXANDROV in Steyr and was again warned not to reveal the OROP offer. Since that time, MARTENS has avoided making business trips to the Soviet Zone of Austria. In August 1950 MARTENS realized that the KLEIN firm in Salzburg was involved with OROP, when JUD Waldemar asked him to obtain some information in Switzerland. JUD wanted MARTENS to ask PIERRE (inc) DR., in Zurich, about arranging to trade a quantity of pure Pennsylvania oil for a motor oil described as No. 4/6/8 which JUD said he had obtained from OROP. MARTENS contacted WIEDERHOLD in America who told him that the grade would be arranged directly with the KLEIN firm in Salzburg. MARTENS stated that during October 1950, he received information through Shell Oil Co., sources that OROP planned to build a considerable oil reserve in the western zones of Austria and that the Vienna firm, Regency Mineralöl Handels-Gesellschaft A.G., Ritterstraße 2, Vienna I, would be the cover for OROP. MARTENS stated that he had not yet observed any indications of such developments. (Agent's note: Contact with MARTENS will be maintained and any additional information stemming from him will be reported.)

request was made by SCHMUCK Anton, born 16 March 1920 in Leifer, Bezirk Lell am See, ~~AUSTRIA~~, former resident at Leifer 25, who stated to Dr. FFWBARGER that OIOU had offered to supply him with the building materials for a filling station and repair shop if he would sign a contract with them. FFWBARGER advised SCHMUCK not to proceed with his plans because, under Austrian law, OIOU is not authorized to operate in the western zones of Austria (sic). SCHMUCK, who died on 25 September 1950 in a traffic accident at Leifer, discontinued his negotiations and to date, SCHMUCK's heirs have not resupplied for permission to operate a filling station.

e. MARTENS Casper, born 1 June 1898 in Moshocayne, Hungary, residing at Mitterzell, former director of the Shell Oil Co. in Budapest, currently a salesman for the Geigy Vacuum Oil Co., Vienna, disclosed that MARTENS has had several contacts with OKOP in the past. MARTENS stated that, in March 1947, he was approached by a representative (name unknown) of a Swiss relief organization "Freie Arbeiter" with a proposal that MARTENS take the job of starting and distributing OAK packages in Land Salzburg. MARTENS refused the offer, as the salary was too low, and in September 1947, the organization was dissolved and its property confiscated by the Swiss government on the grounds that the organization was a Communist front activity. In April or May of 1947, MARTENS was approached by the same person (name unknown) and asked to attend a meeting in Linz. At this meeting, held in a hotel room (name of hotel not remembered) in Linz, MARTENS was introduced to one FERGEL (fam), a Hungarian citizen, and one ALEXANDROV (fam), a colonel with the Soviet repatriation Mission. FERGEL convinced MARTENS that background checks had been made on him and his relatives who still lived in Hungary, and then told him that he had been selected as a candidate for a position with OKOP because of his past experience as a manager and salesman for the Shell Oil Co. in Hungary. MARTENS was then offered a position which involved purchasing filling stations and filling station sites in the western zones of Austria, at a salary of three thousand schilling a month, travel expenses, and a commission on all OKOP products sold as a result of his

4. The Bezirkshauptmann of Bezirk Woll an der Donau, RAUTZINGER Hans Dr., disclosed that he was not aware of any "TRANSPORT" or property purchase made by UICP or an agent acting for OPEC in this Bezirk. All applications for the approval of property sales or leases; applications for trade licenses; and applications for approval of business contracts are processed through the Bezirkshauptmannschaft before being submitted to the government of Land Salzburg for approval. RAUTZINGER promised to notify this Sub-Detachment immediately should any OPEC negotiation come to his attention.

5. Interviews with other persons engaged in the distribution and sale of petroleum products disclosed that during the period June to August 1980, they had been requested by their parent companies (MARTIN - SHAWL - MOONY, etc.) to report any OPEC activity in this area. The majority of the people interviewed, not having observed any activity on the part of OPEC, are of the opinion that OPEC's attempt to expand to the western zones of Austria has failed and that the expansion plans have been abandoned.

2. The following information concerning some of the persons mentioned in this report was obtained from Informant 2697, whose source was an well-informed individual concerning the petroleum commerce in Austria. (Evaluation: "C-3").

a. JEG Wallner is known as an intelligent, shrewd businessman. It is not thought that he would be so rash as to deal directly with OPEC. He is the head of a private association of oil dealers in Land Salzburg, Tirol, and Vorarlberg which convened in Salzburg in September to consider, among other problems, methods of survival in the face of increasing economic pressure from OPEC. He is not known by the members of the dealers association to be dealing with OPEC.

b. Dr. WIDENHORN (fam), distributor of "Valvoline" in Zurich, Switzerland, is described as an influential businessman whose "Valvoline" business represents but a small portion of his varied interests. WIDENHORN is largely occupied with large-scale oil import-export deals with foreign countries.

3. KLEIN, alias Wolfgang of the KLEIN Oil firm in Salzburg, is described as a dangerous and unscrupulous business rival. In September 1950, at a time when not a single service station in the city of Salzburg had any legal gasoline available, KLEIN is alleged to have had approximately three hundred thousand liters of illegal OROP gasoline to sell on the black market. KLEIN is described as appearing very affluent at a time when businesses comparable in size to his are earning a minimum or losing money while operating within the legal restrictions.

4. The Jupiter Mineraloel Mandelgesellschaft A.G., in Vienna, is capable of acting as a cover for OROP operations, in the opinion of Informant's source.

4. The files of this Sub-Detachment contain the following information concerning persons possibly identical to those mentioned in this report:

a. JUD (FBI), c/o KADDAH, Vienna, is mentioned as connected with USIA enterprise; cellar, listed in O&G intercept a/r/1957, dated 18 Oct 1949, who conversed with:

b. KLEIN alias, Gabelsbergerstrasse 38, Salzburg. Text of message: (JUD) "I could get actor oil for 1.76. It's normal distrodest stuff". (KLEIN) "Take a tank car."

c. MECHL Alois, born 24 March 1899 in An-Innereichardt, Bezirk Voestalpen, Land Upper Austria, residing at Aligherstrasse 31, Salzburg, mentioned in numerous reports dating from 5 August 1947 to 10 March 1950; current status: operates oil firm in Salzburg which is believed to be an undercover establishment for OROP.

d. GASTINGER Franz, mentioned in numerous reports in connection with his duties as Bezirkshauptmann of Zell am See.

e. MOSER Josef, born 23 February 1915 in Pill bei Schwan, Land Tyrol, mentioned in conjunction with an attempt to bribe local Austrian officials.

1. MARTINS' son, born 16 April 1940, is listed as NSDAP member from July 1940 to 15 April 1945.

2. Numerous MARTINS are listed, none of whom appeared identical to MARTINS Caesar of this report.

ACMPT'23 NOTES:

OROP was apparently not even successful in its attempts to operate in the Rosirk Zell am See area. This agent is of the opinion that JUD Kalderer is the key to OROP operations in Land Salzburg. It is possible that he double-crossed MARTINS when he advised him to avoid contact with OROP and when, apparently contacted them himself. JUD, as head of the private oil dealers association, is in an excellent position to defeat the purposes of the association by revealing its plans to OROP officials and by misdirecting the efforts of the association on critical issues. Again, JUD may be playing both ends against the middle in an effort to make quick and easy profits, or his involvement with OROP may be in the nature of a reverse-twist bearing from within operations. JUD's attempted trade of OROP-supplied No. 4/5/6 motor oil for "Valvoline" imported from Switzerland is clearly an illegal operation. The only three legal ways known to this agent of importing or exporting petroleum products in Austria are through APP; through the large and licensed companies such as Shell or Socony; or through a purely limited and local arrangement whereby petroleum products may be shipped from Vorarlberg to Switzerland and vice versa, but only for local consumption and not for distribution to other parts of Austria. This agent is aware of the fact that OROP has tried to use the last-mentioned channel in the past without success. It is this agent's opinion that the JUD-KLDER partnership is probably the key to OROP transactions in the western zones.

W. P. HANCOCK  
Special Agent, GPO

APPROVED:

KELVIN MILLER  
Chief, Sub-Detachment "A"

DISTRIBUTION:

3 - Chief Ops., G1, USPA  
1 - G1, 2nd CIC Det., USPA; 1 - CIC, Sub-Det. "B"; 1-CIC, Sub-Det. "C"  
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